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# Legislative Digest

## HOUSE REPUBLICAN CONFERENCE

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## **FY 2001 District of Columbia Appropriations Act**

**H.R. 4942**

Committee on Appropriations  
H.Rept. 106-  
Submitted by Mr. Istook on July 24, 2000

### **Floor Situation:**

The House is scheduled to consider H.R. 4942 on Wednesday, July 26, 2000. The Rules committee is scheduled to meet on the bill at 5:00 p.m. on Tuesday, July 25. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

### **Highlights:**

H.R. 4942 appropriates \$414 million for the federal payment to the District of Columbia (D.C.), \$22.8 million less than enacted FY 2000 funding levels and \$31.4 million less than the President's request. This funding pays for the operation of the Nation's Capital, D.C. correctional activities, and D.C. courts. Of this amount, the bill provides (1) \$134.3 million for the Corrections Trustees operations (\$41.7 million less than FY2000 and equal to the president's request); (2) \$99.5 million for operating city courts (\$214,000 less than FY 2000 and \$3.5 million less than the president's request); and (3) \$14 million for the D.C. Resident Tuition Support program (\$3 million less than both the president's request and funding for FY 2000). Finally, the bill approves the \$6.7 billion District budget, which is \$119.2 million less than FY 2000 and \$32.7 million less than the president's request. The District funds provide for all aspects of the city's operation including public education and safety, human support services, and enterprise funds. Funding for the District includes \$1.2 billion for a six-year capital outlay program.

The bill contains the following general provisions, which were also included in the FY 2000 D.C. Appropriations bill:

- \* prohibits federal funds from being spent on needle exchange programs in D.C.;
- \* allows charter schools access to funds for construction and repair of elementary and secondary schools, and allows preference for siblings of charter schools in the admissions process;
- \* prohibits any funding from being used to legalize or reduce penalties for possessing, using, or distributing any Schedule 1 substance under the Controlled Substance Act or any tetrahydrocannabinol derivative (e.g., marijuana);

- \* provides \$34.4 million for attorney programs for indigent defendants, child abuse, and guardianship cases administered by District courts;
- \* provides \$150 million for a budget reserve, as required by the FY 1999 D.C. Appropriations Act (*P.L. 105-277*), to prevent the District from running a budget deficit. The FY 1999 conference report also requires the District to maintain a budget surplus of not less than four percent and allows any budget surplus in excess of four percent to be used for debt reduction and non-recurring expenses;
- \* prohibits federal funds from being used to sue Congress for voting representation;
- \* continues to prohibit the use of any federal or District-raised funding to provide abortions, except in the case of rape, incest, or danger to the mother's life;
- \* retains current law to prohibit any federal or District funds to implement programs that extend the same rights designated for married couples to cohabiting unmarried couples—such as domestic partners;

## Sticking Points

The bill contains several provisions that are likely to become the subject of floor debate or amendment. Some of these include the following:

- \* **Abortion.** The bill currently restricts the use of federal funds to provide abortions except when the mother's life is at stake or in instances of rape or incest. Proponents argue that taxpayers should not be forced to fund a procedure they have severe moral objections to, while critics contend that the federal government should let the District government make this decision.
- \* **Health Insurance Coverage for Contraceptives Act of 2000.** The bill prohibits the enactment of the Health Insurance Coverage for Contraceptives Act of 2000 (D.C. Bill 13-399) unless a religious "conscience clause" is adopted, allowing religious organizations (and other objectors) exemption from mandatory contraceptive coverage.
- \* **D.C. Voting Rights.** The bill continues to prohibit appropriated funds from being used by the corporation council to prepare any lawsuits against Congress regarding voter representation issues for the citizens of the District. The bill prohibits the use of funds to provide assistance for a petition drive or civil action to provide for voting representation in Congress for the District of Columbia.
- \* **Needle Exchange Programs.** The bill prohibits the use of federal funding for needle exchange programs. Proponents argue that providing clean needles to drug users encourages drug use. They believe this sends mixed signals on the war on drugs effort and that public funds should not support a habit which is illegal. Opponents argue that needle exchange programs are beneficial in preventing the spread of HIV and that the federal government should not place restrictions on District funds.

## Background:

For much of the last decade, the District of Columbia has endured a string of economic crises. Chronic budget deficits inflicted a devastating toll on municipal services. Past budget shortfalls have caused public schools to open late or not at all. Funding shortfalls persisted for police, fire, public works (including tapwater, wastewater, and garbage pickup), and Medicaid. Residents have been especially appalled by the District's inability to adequately provide public education for D.C. children and protect its residents

from crime. In November 1990, the District's Commission on Budget and Financial Priorities advised D.C. officials of an "immediate fiscal crisis" that would occur due to a lack of budget funds to meet obligations. While city officials tried to mask a balanced budget by delaying debt payments and redefining budget items, the deficit continued to climb. Overall, the city requested over \$1 billion in emergency appropriations between 1991 and 1994.

To hold the District more accountable, Congress created the D.C. Control Board in 1995. The board was granted oversight over all D.C. fiscal matters, including borrowing money from the Treasury and private sources. The board was authorized to assume direct management control over the city's fiscal affairs in areas where it was unable to meet its financial obligations or payroll, provide essential public services, or pay an excess number of accounts which are more than 30 days in arrears. In fiscal years 1997 and 1998 the district achieved budget surpluses and for FY 1999, a \$282 million surplus is expected. The FY 1999 D.C. Appropriations Act (*P.L. 105-277*) requires the inclusion of a \$150 million operating reserve in any budget submitted for congressional approval beginning in FY 2000.

In November 1998, the city elected Anthony Williams to be mayor of the District, replacing Marion Barry, whom many critics blamed largely for creating the District's financial dilemma. The new mayor has made necessary changes to the city's legislative body and school board, and has overseen a continued reduction in the crime rate. Responding to the city's progress, last year Congress enacted the District of Columbia Management Restoration Act (*P.L. 106-1*), which restored management authority for the daily operation of the city's nine largest departments to the mayor.

### **Provisions:**

#### **—Federal Funds—**

**Tuition Assistance for District Graduates.** The bill provides \$14 million for a new tuition program to compensate qualified D.C. residents for the difference between in-state and out-of-state tuition at institutions of higher learning. This program is not yet operational but provides \$14 million, bringing the two-year funding level to \$31 million, which is \$1,833,425 more than the program anticipates being needed. Participants would be allowed to apply tuition assistance at both private and public institutions.

**Incentives for Adopting Children.** The bill allows for the continued availability of the \$5 million appropriated for FY 2000 to create incentives for the adoption of children in the District's foster care system. The District's Child and Family Services Agency promotes and facilitates adoptions of District children. The number of cases handled by the agency has risen from approximately 2,600 cases in December 1997 to 3,300 in September 1998.

**Correction Trustee Operations.** The bill provides \$134.3 million, \$41.7 million less than last year and equal to the president's request, to assist the Corrections Trustee operation with the transition of placing D.C. felons in federal prisons and conducting financial oversight for all aspects of the District's Department of Corrections.

**District of Columbia Courts.** The bill provides \$99.5 million for D.C. courts, which will be administered by the Office of Management and Budget, of which \$94.5 million is provided for operation costs.

**D.C. Courts Defender Services.** The bill provides \$34.4 million for attorney programs for indigent defendants, child abuse, and guardianship cases administered by District courts.

<b>Federal Funds for the District of Columbia, FY 2001</b>					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
DC Resident Tuition Support	\$17.0	\$14.0	\$14.0	-17.6%	0.0%
Incentives for Adoption of Foster Chil	\$5.0	\$5.0	\$0.0	-100.0%	-100.0%
Citizens Complaint Review Board	\$0.5	\$0.0	\$0.0	-100.0%	0.0%
Federal Payment for Human Services	\$0.3	\$0.0	\$0.0	-100.0%	0.0%
Corrections Trustee Operations	\$176.0	\$134.3	\$134.3	-23.7%	0.0%
Fed. Payment D.C. Courts	\$99.7	\$103.0	\$99.5	-0.2%	-3.4%
Defender Services in D.C. Courts	\$33.3	\$38.4	\$34.4	+3.2%	-10.4%
Court Services & Offender Supervision Agency	\$93.8	\$103.5	\$115.8	+23.4%	+11.8%
Metropolitan Police	\$1.0	\$0.0	\$0.0	-100.0%	0.0%
Georgetown Waterfront	\$1.0	\$0.0	\$0.0	-100.0%	0.0%
National Museum of American Music & Downtown Revitalization	\$0.0	\$3.0	\$0.3	+100.0%	-91.7%
Public Charter Schools	\$15.6	\$0.0	\$0.0	-100.0%	0.0%
Medicare Coordinated Care Demonstration Project	\$3.0	\$0.0	\$0.0	-100.0%	0.0%
Federal Payment for Study of Tax Re	\$0.0	\$0.0	\$0.1	+100.0%	+100.0%
Federal Payment for Simplified Persc	\$0.0	\$0.0	\$0.3	+100.0%	+100.0%
Federal Payment to the Chief Financi	\$0.0	\$0.0	\$1.5	0.0%	+100.0%
Federal Payment for Brownfield reme	\$0.0	\$10.0	\$0.0	0.0%	-100.0%
Presidential Inauguration	\$0.0	\$6.2	\$6.0	+100.0%	-3.9%
Metrorail Construction	\$0.0	\$25.0	\$7.0	+100.0%	-72.0%
Children's National Medical Cntr	\$1.0	\$0.0	\$3.5	+250.0%	+100.0%
<b>TOTALS</b>	<b>\$447.2</b>	<b>\$442.4</b>	<b>\$416.5</b>	<b>-6.9%</b>	<b>-5.9%</b>
<i>Source House Appropriations Committee</i>					

**Offender Supervision, Defender, and Court Services Agency.** The measure provides \$115.8 million for FY 2001 for the District Offender Supervision, Defenders, and Court Services Agency. This is an increase of \$22 million from FY 2000 and \$12.2 million more than the president's request. The purpose of this agency is to reorganize and operate the functions of pretrial services, defense services, parole, adult probation, and offender supervision as ordered by the 1997 Revitalization Act. In addition, the bill provides \$27.2 million for increased drug testing, intervention, and treatment.

**Presidential Inauguration.** The bill provides \$5.96 million to reimburse D.C. for expenses to be incurred in January 2001, such as police activities, traffic and crowd control, fire and emergency ambulance service as well as health and cleanup activities.

## —District Operating Expenses—

**Governmental Direction and Support.** The bill provides \$194.6 million, \$27.3 million more than in FY 2000 and \$3.2 less than the District requested, for programs that provide government administration and oversight, including the Office of the Mayor, Budget, and Financial Management.

**Economic Development and Regulation.** The bill earmarks \$205.6 million, equal to the District's request and \$15.3 million more than in FY 2000, for programs that support land-use planning and zoning for housing and community development projects, employment and consumer affairs, along with departments to promote economic development and tourism.

**Public Safety and Justice.** The budget funds \$762.3 million, \$16.4 million less than FY 2000 and equal to the District's request. The account formerly provided funds for D.C. courts and the department of corrections, which are now part of the federal contribution. The Metropolitan Police Department has been instructed to submit quarterly reports to House and Senate committees on the status of crime reduction in each of the 83 police service areas established throughout the District of Columbia.

**Public Education System.** The budget provides \$995.4 million, \$128 million more than in FY 2000 and \$3 million less than the District's request, for programs including the public schools and library, the teacher's retirement system, the University of the District of Columbia (UDC), and the Arts and Humanities Commission. In addition, the bill (1) makes the authorization for D.C. charter schools permanent; and (2) allows charter schools access to funds for construction and repair.

**Human Support Services.** The bill allocates \$1.5 billion, \$5.8 million more than last year and \$10 million less than the District requested, for programs that meet the health and welfare needs of individuals and families in the District, along with efforts to achieve racial diversity and gender fairness in practices of employment and education.

**Public Works.** The bill provides \$278.3 million, \$6.8 million more than in FY 2000 and equal to the District's request, for public works projects, including programs to maintain the District's physical infrastructure and the oversight of public transit systems.

**Receivership Programs.** The bill provides \$389.5 million for receivership programs. This is \$47.5 million more than FY 2000 and \$5 million less than the District's request. This funding includes \$166.7 million for Child and Family Services to support the development of healthy families, assist children and families of need, protect abused and neglected children, and provide a permanent home for all wards of the District. In addition, this amount includes \$210.6 million for the Commission on Mental Health Services. The commission oversees assessment, treatment, and care programs for the mental health consumer.

**Reserve.** The bill requires that \$150 million be held as a reserve. This provision was required by the FY 1999 D.C. Appropriations Act (*P.L. 105-277*) to ensure that the District budget does not fall into deficit.

**Repayment of Loans and Interest.** The budget provides \$243.2 million for repaying previous loans and interest on the loans.

District Budget, FY 2001					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)	(in millions)	(in millions)		
Operating Expenses					
Govt. Direction & Support	\$167.4	\$197.8	\$194.6	+16.2%	-1.6%
Econ. Dev. & Regulation	\$190.3	\$205.6	\$205.6	+8.0%	0.0%
Public Safety and Justice	\$778.8	\$762.3	\$762.3	-2.1%	0.0%
Public Education System	\$867.4	\$998.4	\$995.4	+14.8%	-0.3%
Human Support Services	\$1,526.4	\$1,542.2	\$1,532.2	+0.4%	-0.6%
Public Works	\$271.4	\$278.3	\$278.3	+2.5%	0.0%
Reserve	\$150.0	\$150.0	\$150.0	0.0%	0.0%
Buyouts and Mgmt Reform	\$18.0	\$0.0	\$0.0	-100.0%	0.0%
Workforce Investments	\$8.5	\$0.0	\$0.0	-100.0%	0.0%
D.C. Finan. Resp. & Mgmt Asst. Auth	\$0.0	\$3.1	\$3.1	+100.0%	0.0%
Receivership Programs	\$342.1	\$394.5	\$389.5	+13.9%	-1.3%
Financing and Other	\$384.9	\$331.5	\$331.5	-13.9%	0.0%
Procurement & Mgmt Savings	-\$21.5	\$0.0	\$0.0	-100.0%	0.0%
<b>Subtotal, Operating Expenses</b>	<b>\$4,683.7</b>	<b>\$4,863.7</b>	<b>\$4,842.5</b>	<b>+3.4%</b>	<b>-3.8%</b>
<b>Capital Outlay</b>	<b>\$1,415.8</b>	<b>\$1,170.7</b>	<b>\$1,162.8</b>	<b>-17.9%</b>	<b>-0.7%</b>
Enterprise Funds					
Water and Sewer	\$279.6	\$275.7	\$275.7	-1.4%	-5.8%
Lottery and Charity Games	\$234.4	\$223.2	\$223.3	-4.7%	-11.6%
Sports Commission (STARPLEX)	\$10.8	\$10.9	\$10.9	+0.9%	-23.1%
Public Benefit Corporation	\$89.0	\$78.2	\$78.2	-12.1%	-46.2%
Retirement Board	\$9.9	\$11.4	\$11.4	+15.2%	-92.4%
Correctional Industries	\$1.8	\$1.8	\$1.8	-0.1%	-184.8%
Convention Ctr. Fund	\$50.2	\$52.7	\$52.7	+5.0%	-368.4%
<b>Subtotal, Enterprise Funds</b>	<b>\$675.7</b>	<b>\$653.9</b>	<b>\$654.0</b>	<b>-3.2%</b>	<b>-736.8%</b>
<b>TOTALS</b>	<b>\$6,775.2</b>	<b>\$6,688.3</b>	<b>\$6,659.3</b>	<b>-\$0.2</b>	<b>-\$7.4</b>
Source: House Appropriations Committee					

**Repayment of General Fund Recovery Debt.** The bill provides \$39.3 million to cover the principle and interest of bonds. The 1991 District of Columbia Emergency Deficit Reduction Act (*P.L. 102-106*) authorized the District to issue 12-year general recovery bonds to eliminate the general fund deficit.

**Enterprise Funds.** The budget earmarks \$654 million, \$21.7 million less than in FY 2000, for enterprise funds, which include the Water and Sewer Utility Administration, and funds for the operation of the District's Sports Commission (Starplex), Lottery, D.C. General Hospital, Washington Convention Center, and Re-

tirement Board, among others.

**Capital Outlays.** The committee recommends a net increase of \$1.022 billion for FY 2001 for capital outlays, which will provide support to various D.C. programs such as law enforcement, public works, and education.

### —General Provisions—

**Abortion.** The bill continues to prohibit the use of any federal or district-raised funding to provide abortions, except in the case of rape, incest, or danger to the mother’s life.

**Domestic Partners.** The bill continues the prohibition of the use of any federal or district-raised funding for implementing programs that extend the same rights designated for married couples to cohabitating unmarried couples—such as domestic partners.

**Needle Exchange Programs.** The bill prohibits federal funds for any needle exchange program.

**Marijuana Legalization.** The bill prohibits the use of funds to legalize or reduce penalties associated with the possession, use, or distribution of marijuana.

**D.C. Voting Rights.** The bill continues to prohibit appropriated funds from being used by the Corporation Counsel to prepare any lawsuits against Congress regarding voter representation issues for the citizens of the District. The bill prohibits the use of funds to provide assistance for a petition drive or civil action to provide for voting representation in Congress for the District of Columbia.

**Health Insurance Coverage for Contraceptives Act of 2000.** The bill prohibits the enactment of the Health Insurance Coverage for Contraceptives Act of 2000 (D.C. Bill 13-399) unless a religious “conscience clause” is adopted, allowing religious organizations (and other objectors) exemption from mandatory contraceptive coverage.

### Costs/Committee Action:

Enactment of H.R. 4942 will result in outlays of \$414 million for FY 2001.

The Appropriations Committee reported the bill by voice vote on July 20, 2000.

### Other Information:

“Appropriations for FY 2001: District of Columbia,” *CRS Report* RL30513, July 21, 2000.



*Courtney Haller, 226-6871*